

REPORT**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana**

**Component Unit Financial Statements
As of and for the Year
Ended December 31, 2006
with Supplemental Information Schedules**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/12/07

William R. Durden

*Certified Public Accountant
Limited Liability Company*

820 11TH AVENUE
FRANKLINTON, LOUISIANA 70438

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana

Component Unit Financial Statements
As of and for the Year Ended December 31, 2006
With Supplemental Information Schedule

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MEMBER
A.I.C.P.A.

MEMBER
L.C.P.A.

Board of Commissioners
Washington Parish Fire
Protection District No. 5
Angie, Louisiana

I have compiled the accompanying financial statements and supplemental information, contained in Schedules I and II, as of and for the year ended December 31, 2006, for the Washington Parish Fire Protection District No. 5, a component unit of the Washington Parish Government, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and supplemental information, and accordingly, do not express an opinion or any other form of assurance on them.

The management's discussion and analysis and budgetary comparison information, on pages 3 through 7 and 21 through 22 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have compiled the supplementary information from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

I am not independent with respect to Washington Parish Fire Protection District No. 5.



William R. Durden
Certified Public Accountant

Franklinton, Louisiana
March 7, 2007

Management's Discussion and Analysis

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana

Management's Discussion and Analysis

Introduction

Washington Parish Fire Protection District No. 5 is pleased to present its Annual Financial Report developed in compliance with Governmental Accounting Standard Board Statement No. 34, Basic Financial Statements - Management's Discussion and Analysis – For State and Local Governments (hereinafter referred to as GASB 34) and related standards.

Financial Highlights

- Total assets at December 31, 2006, were \$479,525, and exceeded liabilities in the amount of \$476,037 (i.e., net assets). Of total net assets, \$45,915 was unrestricted and available to support short-term operations, with the balance of total assets (\$430,119) invested in capital assets net of related debt.
- Revenues consist of ad valorem tax, state revenue sharing and insurance proceeds. The total operating revenues, for the fiscal year ending December 31, 2006, was \$49,087 representing an approximate increase of 17.50% from total revenues for fiscal year December 31, 2005 of \$41,779. In 2005, the District reported a one-time gain on casualty of \$8,610. The District received grants of \$209,000 and \$9,633 for the purchase of fire truck & construction of fire station, respectively.
- The District's program expenditures, consisting of those expenditures resulting from the District's ongoing operations, increased by \$2,005 (4.93 %) over the program expenditures for fiscal year ended December 31, 2005

The District had capital assets purchased of \$271,116. There was a fire truck of \$221,187 and construction in progress of \$49,928 for new fire station.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana**

Management's Discussion and Analysis

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to basic financial statements and supplementary information. The MD&A presents an overview of management's examination and analysis of the District's financial condition and performance. The District's basic financial statements are comprised of three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in additions to the basic financial statements themselves.

Government-wide financial statements. The government -wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector businesses. These financial statements are reported using the full accrual accounting methods.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in nets assets may serve as a useful indicator of whether the financial position of the district is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The statement of net assets and the statement of activities display information about the District as a whole. These statements distinguish between those activities of the District that are governmental and those that are considered business type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The modified accrual basis of accounting is used by the governmental funds.

Notes to financial statements. The notes to the financial statements provide required disclosures essential to the understanding of the financial statements. The notes present information about the District's accounting policies, significant account balances, and activities, commitments, contingencies, and subsequent events, if any. Supplementary information includes a comparative budget schedule.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana

Management's Discussion and Analysis

Financial Analysis

The purpose of financial analysis is to help determine whether Washington Parish Fire Protection District No. 5 is better off as a result of the current year's activities. In this analysis, data from two basic financial statements, the Statement of Net Assets, and the Statement of Activities and Changes in Net Assets, is presented below in condensed format. These statements report the net assets, the difference between assets and liabilities, and the change in net assets, which provides information for indicating the financial condition of the District. Following these statements is a separate schedule summarizing and analyzing budget changes for the current fiscal year.

Condensed Statement of Net Assets

	December 31, 2005	December 31, 2006	Dollar Change	Percent Change
Assets:				
Current and Other Assets	\$ 76,825	\$ 49,406	\$ (27,419)	-35.69%
Capital Assets	174,191	430,119	255,928	146.92%
	<u>251,016</u>	<u>479,525</u>	<u>228,509</u>	91.03%
 Total Liabilities	 <u>30</u>	 <u>3,488</u>	 <u>3,458</u>	
 Net Assets:				
Invested in Capital Assets, Net	174,191	430,119	255,928	146.92%
Unrestricted	78,795	45,918	(30,877)	-40.21%
Total Net Assets	<u>\$ 250,986</u>	<u>\$ 476,037</u>	<u>\$ 225,051</u>	89.67%

The major components of change in "Current and Other Assets" are a \$31,672 decrease in operating cash, and a \$4,253 increase in "Accounts Receivable" & "Prepaid Insurance".

"Capital Assets" increased by \$255,928, which included a purchase of fire truck for \$221,187 and construction of station for \$49,928, less depreciation recorded on capital assets of \$15,188 for fiscal year ended December 31, 2006.

Total Net Assets increased \$225,051 for the fiscal year ended December 31, 2006, due to the changes in "Current and Other Assets" and "Capital Assets".

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angle, Louisiana

Management's Discussion and Analysis

Condensed Statement of Activities, and Changes in Fund Balance

	December 31, 2005	December 31, 2006	Dollar Change	Percent Change
Program Revenues	\$ 41,779	\$ 47,725	\$ 5,946	14.23%
Expenses:				
Operating Expenses	28,206	27,480	(726)	-2.57%
Depreciation Expense	12,458	15,189	2,731	21.92%
Total Expenses	40,664	42,669	2,005	4.93%
Operating Income (Loss)	1,115	5,056	3,941	353.45%
Non-operating Revenues (Expenses)				
Interest income	51	0		
Grant revenue	-	218,633	218,633	100.00%
Gain on Casualty	8,610	-	(8,610)	-100.00%
Other Income	2,354	1,362	(992)	-42.14%
Change in Net Assets	11,015	219,995	212,972	1933.47%
Net Assets, Beginning of Year	238,856	250,986	12,130	
Prior year Adjustment	-	-	-	
Net Assets, End of Year	\$ 250,986	\$ 476,037	\$ 225,051	89.67%

While the Statement of Net Assets shows the change in financial position of Net Assets, the Statement of Activities and Changes in Net Assets provides answers to the nature and scope of these changes. "Program Revenues" increased by \$5,946(14.23%), while operating expenses decreased (\$726) and depreciation increased by \$2,731 due the increase in capital assets. Changes in non-operating revenues were due to an increase in "Grant Revenue" \$218,633 and in "Other Income" decreased by (\$992). The "Gain on Casualty" was one-time event.

Budgetary Highlight

The proposed budget for 2006 was presented and adopted at the January 17, 2006 board meeting. The budget is prepared on the accrual basis of accounting, and all appropriations lapse at year-end. The budget was not amended during the fiscal year ending December 31, 2006.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana

Management's Discussion and Analysis

Budget vs. Actual – Fiscal Year Ending December 31, 2006

	Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Ad valorem taxes	\$ 31,000	\$ 34,429	\$ 3,429
State revenue sharing	5,107	5,667	560
Fund raisers	2,000	-	(2,000)
Miscellaneous income	-	547	547
Insurance rebates		7,629	7,629
Grant revenue		218,633	218,633
Donations	-	815	815
Total Revenues	\$ 38,107	\$ 267,720	\$ 229,613
EXPENDITURES:			
Insurance	6,600	7,627	1,027
Legal and accounting	2,460	3,000	540
Repairs and maintenance	3,200	3,450	250
Utilities	2,929	3,972	1,043
Supplies		1,754	1,754
Fixed Assets	16,000	271,116	255,116
Bookkeeping	2,400	2,400	-
Training	330		(330)
Fees, pest control, lawn care	675		(675)
Pension expense		1,185	1,185
Fuel, gas, and oil	3,143	2,668	(475)
Due & subscription	370	330	(40)
Other		1,094	1,094
Total expenditures	38,107	298,596	260,489
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(30,876)	(30,876)
FUND BALANCE, JANUARY 1, 2006	76,794	76,794	-
FUND BALANCE, DECEMBER 31, 2006	76,794	45,918	(30,876)

The District's "Actual Revenues" and "Actual Expenditures" exceeded "Budget Revenue and Expenditures Budget" by 602.55% and 683.58%, respectively. The District did not amend their budget for \$218,000 federal grant revenue or for the \$217,000 expenditures for capital assets.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana

Management's Discussion and Analysis

Capital Assets

At the end of the fiscal year December 31, 2006, the District had \$174,191 (net of accumulated depreciation) recorded in capital assets. Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statement. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful life:

Fire Stations	40 years
Fire Trucks and Other Trucks	5-20 years
Equipment	3-10 years

Fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated assets are valued at fair market value on the date donated. The cost of all assets acquired prior to 1989 have been valued using estimated historical cost.

Capital asset activity for the year ended December 31, 2006

	January 1, 2005	December 31, 2006	Dollar Change	Percent Change
Land	\$ 18,966	\$ 18,966	\$ -	0.00%
Fire trucks	108,083	329,271	221,188	204.65%
Fire house	95,392	95,392	-	0.00%
Equipment	63,565	63,565		
Construction-in-progress		49,928	49,928	78.55%
subtotal	286,006	557,122	271,116	94.79%
Less Accumulated				
Depreciation	(111,816)	(127,003)	(15,187)	13.58%
Net Capital Assets	\$ 174,190	\$ 430,119	\$ 255,929	146.93%

Major purchases of capital assets for the year ended December 31, 2006 were for a fire truck at \$221,188 and construction of new fire station at \$49,928.

FUTUER ECONOMIC PLANS

The District is in the progress of building a new fire station at state line.

FINANCIAL STATEMENTS

STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana
Statement of Net Assets
December 31, 2006

	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 11,281
Receivables	34,738
Prepaid expenses	3,387
Capital assets	
Land	18,966
Fire trucks	329,271
Fire stations	95,392
Construction -in -progress	49,928
Equipment	63,565
Less accumulated depreciation	<u>(127,003)</u>
 Total Assets	 <u><u>479,525</u></u>
LIABILITIES:	
Account payables	387
Pension deduction	1,185
Deferred Revenue	<u>1,916</u>
Total Liabilities	<u><u>3,488</u></u>
 Net Assets	
Invested in capital assets, net of related debt	 430,119
Unrestricted	<u>45,918</u>
Total Net Assets	<u><u>\$ 476,037</u></u>

See accountant 's compilation report and accompanying notes to financial statements

STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2006

PROGRAM EXPENSES:

Insurance	\$ 7,627
Accounting and legal	3,000
Repairs and maintenance	3,450
Depreciation expense	15,189
Utilities	3,972
Supplies	1,754
Bookkeeping	2,400
Pension expense	1,185
Fuel, gas, and oil	2,668
Due & subscription	330
Other	1,094
Total Program Expenses	<u>42,669</u>

PROGRAM REVENUES:

Ad valorem taxes	34,429
State revenue sharing	5,667
Insurance rebates	7,629
Total Program Revenues	<u>47,725</u>

Change Net Assets before Non-operating revenue	<u>5,056</u>
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Non-operating Revenues (Expenses)

FEMA grant	209,000
Rural development grant	9,633
Miscellaneous Income	547
Donations	815
Total Non-Operating Revenue	<u>219,995</u>

Change Net Assets	225,051
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Beginning Net Assets, January 1, 2006	250,986
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Ending Net Assets, DECEMBER 31, 2006	<u>\$ 476,037</u>
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See accountant's compilation report and accompanying notes to the financial statements.

STATEMENT C

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana
Balance Sheet
Governmental Funds
DECEMBER 31, 2006

	<u>General Fund</u>
ASSETS AND OTHER DEBITS:	
ASSETS:	
Cash and cash equivalents	\$ 11,281
Receivables	34,738
Prepaid expenses	3,387
TOTAL ASSETS	<u><u>\$ 49,406</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Account payable	\$ 387
Pension deduction	1,185
Deferred revenue	1,916
Total Liabilities	<u>3,488</u>
FUND BALANCE	
Fund balance - unreserved	<u>45,918</u>
Total Fund Balance	45,918
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 49,406</u></u>
Reconciliation:	
Total governmental funds balances	\$ 45,918
Capital assets	430,119
Net assets of government activities	<u><u>\$ 476,037</u></u>

See accountant's compilation report and the accompanying notes to the financial statements

STATEMENT D

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
 WASHINGTON PARISH GOVERNMENT
 Angie, Louisiana
 Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Governmental Funds
 For the Year Ended December 31, 2006

	<u>General</u>
OPERATING REVENUES:	
Ad valorem taxes	\$ 34,429
State revenue sharing	5,667
Insurance rebates	7,829
Grant revenues -FEMA	209,000
Rural development grant	9,633
Miscellaneous Income	547
Donations	815
Total Revenues	<u>267,720</u>
EXPENDITURES:	
Insurance	7,827
Legal and accounting	3,000
Repairs and maintenance	3,450
Utilities	3,972
Supplies	1,754
Fixed Assets	271,116
Bookkeeping	2,400
Pension expense	1,185
Fuel, gas, and oil	2,668
Due & subscription	330
Other	1,094
Total operating expenditures	<u>298,596</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 (30,876)
FUND BALANCE, JANUARY 1, 2006	<u>76,794</u>
FUND BALANCE, DECEMBER 31, 2006	<u>\$ 45,918</u>
Reconciliation:	
Change in fund balance	\$ (30,876)
Capital assets purchased	271,116
Current year depreciation	(15,188)
Change in net assets	<u>\$ 225,052</u>

See accountant's compilation report and the accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA**

**Notes to the Financial Statements
For the Year Ended December 31, 2006**

NOTE 1- DESCRIPTION OF COMPONENT UNIT AND REPORTING ENTITY

The Fire Protection District Number Five of Washington Parish was created under the Louisiana Revised Statute 40:1496.12E. The District shall constitute a public corporation and as such shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The District shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary and proper, for the purposes of acquiring, maintaining and operating buildings, machinery, equipment, water tank, water hydrants, water lines, and such other things as might be necessary or proper for effective fire prevention and control as considered necessary by the parish governing body of the District for the protection of the property within the limits of the District against fire.

The governing body of the parish shall appoint a five member board that shall perform all duties, functions, and powers responsible for the operation and maintenance of the District. All funds of the District shall be administered by the board. The board of commissioner members may be paid a per diem of fifty dollars for attending meetings of the board, and may be reimbursed any expenses incurred in performing the duties imposed upon them.

The District borders the Mississippi state line to the north, Pearl River to the east, 7th Ward line road to the south and Puspatappa Creek to the west in Ward 7 of Washington Parish, approximately 96 square miles. It serves approximately 2,100 people and several small businesses living and operating in this District. It operates two fire houses, one in Angie, Louisiana, and a second in Stateline, Louisiana, with a volunteer staff of fire fighters.

REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Washington Parish Government is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the primary government, parish council, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Washington Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2006**

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish council.

Organizations for which the parish council does not appoint a voting majority but are fiscally dependent on the parish council.

2. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish council appoints a voting majority of the District's governing board and the parish council has the ability to impose its will on the District, the District was determined to be a component unit of the Washington Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

NOTE-2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Washington Parish Fire Protection District NO.5 have been prepared in conformity with generally accepted accounting principles of the United State of America (GAAP) as applied to government units. This is the first year that the accompanying financial statements have been prepared in conformity with GASB-34. Under GASB-34, a statement of net assets and statement of activities are prepared which are presented on the accrual basis of accounting. The significant differences are capital outlay is reported as an asset and depreciated in the government-wide statement. Also long term obligations are recorded as liabilities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA**

**Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2006**

A. BASIS OF PRESENTATION

Government-Wide Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements distinguish between those activities of the District that are governmental and those that are considered business type activities.

Fund Financial Statements

During the year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

B. FUND ACCOUNTING

The District uses funds to maintain its financial records during the year. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursements of specific or legally restricted monies. Governmental funds of the District include:

- a. General Fund – the general operating fund of the District accounts for all financial resources, except those required to be accounted for in other funds.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. With this measurement of focus, only current assets and current liabilities generally are included on the balance sheet in the fund statements. Long term assets and long term liabilities are included in the government-wide statements. Operating statements of governmental funds present increases (revenues), other financing sources, decreases (expenditures), and other financing uses are included in current assets.

The government-wide statements of net assets and statement of activities are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with operation of these activities are included on the statement of net assets.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2006

The statements of net assets and statements of activities are presented on the accrual basis of accounting. Under this method of accounting exchange, revenues are recognized when earned and expenses are recorded when liabilities are incurred without regard to receipt or disbursement of cash.

The modified accrual basis of accounting is used by the governmental funds. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. Effective for financial statements issued after June 30, 2000, GASB Statement 33, Accounting and Financial reporting for Nonexchange Transactions, defines a nonexchange transaction as a transaction whereby the government gives or receives value without directly receiving or giving equal value in return. Property taxes are imposed nonexchange revenues which result from assessments imposed on nongovernmental entities including individuals. Assets should be recognized when the government has an enforceable lien or legal claim to the resources, or the resources are received, whichever occurs first. Property tax revenues are recognized in the period when the district has a legal claim to the resources. However, for revenue to be recognized under the modified accrual basis, the measurable and available criteria must also be met. Governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized in the accounting period they become available and measurable. Donations, fund raising net revenues and state revenue sharing is recorded when received. Ad valorem taxes become a lien against the assessed property on assessment date or levy date. Property taxes collected by the taxing authority, but not remitted to the District at year-end, are accrued in revenue and included in property tax receivable.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2006

Expenditures

Expenditures are recognized in the accounting period when the fund liability is incurred.

D. BUDGETS

The District does not have a formal policy on adopting a budget. All appropriations lapse at year-end.

E. ENCUMBRANCES

The District does not use encumbrance accounting.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. PREPAID ITEMS

The District uses the allocation method of recording prepaid expenses.

H. CAPITAL ASSETS

Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statement. Depreciation is recorded on general fixed assets on a government-wide basis using the straight-line method and the following estimated useful life:

Fire Stations	40 years
Fire Trucks and Other Truck	20 years
Equipment	3-10 years

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2006

Fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. The cost of all assets acquired prior to 1989 has been valued using estimated historical cost. Approximately 4.45% of total assets are valued at estimated historical cost. Donated assets were transferred from the Angie Volunteer Fire Department (organized prior to 1988 state legislature establishment of the District) and are valued at their original cost which approximates market value at the date donated.

I. COMPENSATED ABSENCES

The District does not have any paid employees; therefore, it does not have a formal leave policy.

J. LONG-TERM OBLIGATIONS

Long-term obligations are reported in the government-wide financial statement.

K. FUND BALANCE RESERVE

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

NOTE-3 LEVIED TAXES

On November 3, 1992, the District passed a proposal for a 10 mill property tax assessment upon the property owners of the District, subject to homestead exemption. The tax is for a period of 10 years commencing in the year 1993 for the purpose of maintaining and operating the District's fire protection facilities, for purchasing fire trucks and other fire fighting equipment and paying the cost of obtaining water for fire protection service. On July 19, 1997 the voters of the District passed a resolution, amending the original millage proposition, for the added purposes of purchasing real estate, buildings and/or construction of a fire station or fire stations.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2006

2006 Assessed property value	6,230,610
Homestead Exemption	<u>2,703,380</u>
Taxable value	<u>3,527,230</u>
9.84 Mill assessment	\$ 34,708
Less: Pension deduction	<u>1,185</u>
Net assessment	<u>\$ 33,523</u>

NOTE-4 CASH AND CASH EQUIVALENTS

At December 31, 2006, the District has cash and cash equivalents totaling \$11,281 as follows:

Non-interest bearing demand deposits	<u>\$ 11,281</u>
Total cash and cash equivalents	<u>\$ 11,281</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are to be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2005, the District had \$11,281. in deposits (collected bank balances). These deposits were secured from risk by \$100,000. of the federal deposit insurance.

NOTE-5 RECEIVABLES

The following is a summary of receivables at December 31, 2006:

Class of receivable	General Fund
Ad valorem taxes	\$ 34,708
Prior year taxes receivable	<u>30</u>
Total receivables	<u>\$ 34,738</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2006

NOTE-6 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2006

	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006
Land (not Depreciable)	\$ 18,966	\$ -	\$ -	\$ 18,966
Fire trucks	108,083	221,188	-	329,271
Fire house	95,392		-	95,392
Equipment	63,565		-	63,565
Construction -in- progress		49,928		49,928
TOTAL	<u>\$ 286,006</u>	<u>\$ 271,116</u>	<u>\$ -</u>	<u>\$ 557,122</u>
Less Accumulated Depreciation				<u>(127,003)</u>
Governmental Capital Assets, net				<u><u>\$ 430,119</u></u>

The District purchased fire truck for \$221,187 with FEMA grant. The District had construction in progress for new station.

NOTE-7 BUDGET

The proposed budget for 2006 was presented and adopted at the January 17, 2006 board meeting. The budget is prepared on the accrual basis of accounting, and all appropriations lapse at year-end. The budget was not amended during the fiscal year ending December 31, 2006.

The District's "Actual Revenues" and "Actual Expenditures" exceeded "Budget Revenue and Expenditures Budget" by 602.55% and 683.58%, respectively. The District did not amend their budget for \$218,000 federal grant revenue or expenditures of \$271,116 for capital assets. See Schedule 1 for detail information.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA

Notes to the Financial Statements (Continued)
For the Year Ended December 31, 2006

NOTE-8 LITIGATION AND CLAIMS

As of December 31, 2006, the District was not involved in any outstanding litigation or claims.

NOTE-9 RELATED PARTY TRANSACTION

There were no related party transactions as of December 31, 2006.

NOTE-10 FEDERAL EMERGENCY MANAGEMENT ASSISTANCE

The District received a federal emergency management assistance grant of \$218,633 for purchase of new fire truck.

SUPPLEMENTAL INFORMATION

SCHEDULE I

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
Angie, Louisiana
Budgetary Comparison Schedule
General Funds
For the Year Ended December 31, 2005

	Budget	Actual	Favorable (Unfavorable) Variance
REVENUES:			
Ad valorem taxes	\$ 31,000	\$ 34,429	\$ 3,429
State revenue sharing	5,107	5,667	560
Fund raisers	2,000	-	
Miscellaneous income	-	547	547
Insurance rebates		7,629	
FEMA grant		209,000	
Rural development grant		9,633	
Donations	-	815	815
Total Revenues	<u>38,107</u>	<u>267,720</u>	<u>229,613</u>
EXPENDITURES:			
Insurance	6,600	7,627	(1,027)
Legal and accounting	2,460	3,000	(540)
Repairs and maintenance	3,200	3,450	(250)
Utilities	2,929	3,972	(1,043)
Supplies		1,754	(1,754)
Fixed Assets	16,000	271,116	(255,116)
Bookkeeping	2,400	2,400	-
Training	330	-	330
Fees, pest control, lawn care	675	-	675
Pension expense		1,185	(1,185)
Fuel, gas, and oil	3,143	2,668	475
Due & subscription	370	330	40
Other		1,094	(1,094)
Total expenditures	<u>38,107</u>	<u>298,596</u>	<u>(260,489)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(30,876)	(30,876)
FUND BALANCE, JANUARY 1, 2006	<u>76,794</u>	<u>76,794</u>	-
FUND BALANCE, DECEMBER 31, 2006	<u>\$ 76,794</u>	<u>\$ 45,918</u>	<u>\$ (30,876)</u>

See accountant's compilation report

SCHEDULE II

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LOUISIANA

SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2006

COMPENSATION PAID TO BOARD MEMBERS

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members were not paid compensation in any form.

<u>Board Member</u>	<u>Expiration Date</u>
J. M. "Mike" Pittman P. O. Box 182 Angie, La. 70426	12-312007
Bryan Thomas 31282 Henry Kenndy RD Angie, La. 70426	12/31/2007
Hoyt "Chick" Boyd Jr. 30550 Dble Street Angie, La. 70426 985-986-3212	12/31/2009
Feddie Jefferson 30110 School Road Angie, La. 70426	12/31/2009
Carole McMillan 64474 Royal Street Angie, La. 70426 985-986-3753	12/31/2008

See accountant's compilation report

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO. 5
WASHINGTON PARISH GOVERNMENT
ANGIE, LA

SCHEDULE OF FINDINGS
AND
MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Year Ended December 31, 2006

Section 1-Compliance with Certain Laws and Regulations:

Fire District No. 5 failed to file their financial report for December 31, 2006 within six months of the close of the entity's fiscal year as required by LRS 24:513. The District's CPA completed the report in March 7, 2007 but did not file the completed report with the Louisiana Legislative Auditor's office. This was brought to the CPA's attention on October 30, 2007 and he filed the report with the Legislative Auditor on November 2, 2007.

Management's Corrective Action Plan:

The management of Fire District No. 5 will monitor the progress of the completion of the annual financial statements and require the CPA to furnish a confirmation of the report being received by the Legislative Auditor.

See accountant's report